

"To promote Christian ideals for agriculture and rural life; to interpret the spiritual and religious values which inhere in the processes of agriculture and the relationships of rural life; to magnify and dignify the rural church; to provide a means of fellowship and cooperation among rural agencies: *Toward a Christian Rural Civilization.*"

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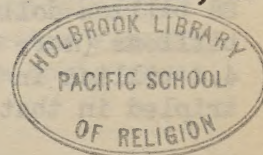
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Three Measures of Farm Success*

by Frank W. Peck



We live in a practical, highly competitive economy. Making a living, providing for security, and enjoying the fruits of hard work represent the objectives and constitute life for most of us. We have to work, worry and wonder how to even half-way succeed in this tough world.

You here today are living testimonials of this fact. Your records of performance and returns from your efforts give evidence of your industry, your management, your sacrifices and your application of hard work to achieve the results you have obtained. These comparative returns are in terms of dollars. We must be realistic. There is no adequate measure for economic success or failure except dollars. But they constitute only one measure. There are others also. Let us consider them together.

I can well remember the spirit breaking days on the farm from 1893 to 1906. My father was then a tenant, and paying cash rent was no small task. The securing of bare necessities in our family was the paramount problem every day for part of that period. Frugality was a must and self-dependence was the almost universal lesson for everyone. The dollar came hard and it was expended the same way. Sober thought preceded the purchase of anything out of the ordinary and there were not too many "ordinaries".

I do not recall hearing about parity prices or government payments or acreage allotments or commodity loans but I do know it was tough going by the dollar measurement and that was the common denominator even in those days.

May I refer to another experience. The period following the depression years of the thirties represents a comparative study of the importance of good prices, favorable production, and sound management. It was remarkable how management showed up as the deciding factor in the tough years from 1932 to 1940. There wasn't any "good fortune" in those days to account for farm families weathering the storm, saving the ship and steering it into calmer waters. Yet, even on some of the less productive areas, hard working, frugal and efficient farm families held their own or even gained a little - in terms of dollar measurements.

* Address at Farm and Home Week, Columbia, Missouri, October 29, 1947. Mr. Peck is Director of the Farm Foundation, 600 South Michigan Avenue, Chicago, Illinois. He speaks from the vantage point of wide experience with rural people in meeting the problems of farm management and better rural living.

During the past five years favorable economic conditions have given formerly distressed farmers in all areas new leases on life and exceptional resources. For example, the Federal Land Bank of St. Paul owned over 12,000 farms from '39 to '42. It was the largest involuntary farm operator in America. Presently the Bank owns no land of any agricultural value, has paid off its impairment of 16 million dollars and has returned its government capital during this period. What a change!

The gross farm income increased from 10½ billion dollars in 1939 to 28 billion dollars in 1946. Production costs ranged from 6.1 billions to 13.1 billions (more than doubled) in that period. The net farm income rose from 4.4 billion in 1939 to 14.9 in 1946. In other words net farm income more than tripled in that seven year period.

The relation of the cost of what farmers buy to what they have to sell is also favorable to farmers. Farmers' assets have passed the 100 billion dollar mark. Farmers owe less than 9 billion dollars in both short-term and long-term debts. The output per worker and per acre is high and apparently will continue so.

The recently published results of the farm management associations in various states illustrate the changes that have taken place in dollar incomes. For example, on 177 farms in Northern Illinois the three year figures 1943-45 show an average of approximately \$6,000 net income per farm with the top 20% reaching an average of \$7,500 and with top incomes reaching around \$12,000.

May I say, however, that these examples represent such exceptional earning opportunities that they are not typical of the American farm business over an extended period. Furthermore, such incomes do not compensate for the many previous years of low returns during which no reserves against losses could be accumulated, and farm people today are asking serious questions about higher costs, possible lower prices and when serious reductions in net farm incomes may be expected.

These quoted results testify to the practical phases of farming as a business with its demands upon capital, labor and management in production and the important factors that bear upon prices and consumption, from the marketing standpoint.

There are few accidents that decide farm incomes. The principles of sound farm and home management so necessary for success in your industry usually underlie favorable farm earnings. In fact, you put in more than you get out -- 'twas ever so in farming. The planning, the organizing, the financing, the farm and home work, the marketing, the living -- all consume human and natural resources for which sometimes not even large dollar returns offer full compensation. But what one gets that he can see, save, count and spend -- is important as one measure of success.

WHAT ABOUT LEVELS OF LIVING?

To the younger of us the publicity of the day would indicate that the dollar measurement is the sole criterion of successful effort. To some, acres of land tell the story. Dunn and Bradstreet is the commercial rating bible of

industry. The premium is placed upon financial success in the headlines but in actual experience there are premiums that apply equally to another measure of success, in terms of living.

I venture then that "how one lives" affords another measure. What constitutes good living? How do you evaluate the many elements that contribute to what they call levels of living by farm operators in all counties in all the states. They have assigned the figure 100 as the average index of all counties, based upon four factors. (1) The percentage of farms with electricity in the home. (2) The percentage of farms with a telephone in the home. (3) The percentage of farms with automobiles. (4) The average value of products sold or traded during the year. Nothing is said about running water or other conveniences.

Based on this analysis, there is a tremendous variation between counties and between states. In your own state of Missouri the range in counties is from 30 to 168, with 100 representing the average of all counties in the United States. The record shows 53 of your counties below the average of the United States. The six highest ranking states in this very inadequate measure are New Jersey, Connecticut, Iowa, California, New York and Illinois, in that order. The six lowest are in the South, namely, Mississippi, Arkansas, Alabama, Tennessee, Louisiana and Georgia. Iowa is the only state that has no county below the average of the United States and is the most consistent throughout the state.

This business of "living" has become complex along with everything else. The tempo has been stepped up. The demands of the times are so different and the relationships so much more involved than they were twenty-five years ago. The word "simple" might well be eliminated from the dictionary -- that is the only place it exists.

From the physical standpoint three mechanical devices and one natural element, with all their implications, represent primary forces in making possible rising levels of farm living -- the internal combustion engine, electricity, the radio and running water. Many mechanical devices for the farm and the home have aided, good roads play their part, modern supplies and techniques have helped, but I can think of no four any more important.

One of the recommendations of a group of young farm people at a national conference of rural youth centered in the need of modernizing farm homes with sanitary plumbing, furnace heating and electrification. The R. E. A. has done a magnificent job in bringing this latter necessity to farm homes through mass production and distribution. Basically, water supplies the raw element to be harnessed and put to work for the comfort, health and convenience of farm people everywhere.

The extension program in this state, called balanced farming, is effectively attacking the farm plumbing job by providing necessary mechanical devices and furnishing simple directions whereby farm people themselves can furnish most of the labor for modernizing farm houses. It has been estimated that not over 25% of the farm homes have utilized running water in ways comparable to urban home conveniences.

Another field of needed improvement for living in rural areas centers in providing proper facilities for medical and dental care. The available health

and medical care statistics in many rural areas present a picture that challenges us to seek ways and means for improving this important phase of rural life. The recently completed hospital surveys in most of the states is a good beginning. How to obtain and keep physicians and dentists in rural areas remains to be worked out. There are many angles to this problem, some of which center in national and state legislation. It behooves all farm people to take an active interest in this problem.

A further question that should concern rural people is a quality of rural education that is basic to the kind of farming and the kind of people that will live in our rural communities of the future. How can the urges of people for improving and equalizing the quality of education for all children be effectively stimulated? I am referring not only to education in the elementary and secondary schools, but to needed types of extension education in those subjects that have to do with human relationships, as well as with economic considerations. Neglect, apathy, inexperience, ignorance, carelessness, poverty — whatever the reasons for present low quality of education in many rural areas, the stark facts call for vigorous improvement programs, if rural people are to have opportunities that measure up to urban standards of elementary and secondary education.

Wise spending is also one of the tests of good living. Who controls the spending policy in farm homes? What attitudes of mind influence the decisions? I am told that in the city 85% of the spending is done by women. (I think it is larger than that.) Who decides to buy more land rather than purchase an education? What kind of urges promote the educational opportunities for the children? What factors dictate a new machine for the farm — and not for the home? What is a necessity? (I have been told it is something you and I do without in order to make a down payment on a luxury.) Good farm and home management includes wise spending decisions.

We are told by psychologists that the attitudes of mind we develop largely decide our character and stimulate our desires for those things we include in the term "higher living standards". This desire for improvement is stimulated by what gives each of us major satisfactions with such economic and social values as family health, education, interest in good books, enjoyment from music, pleasure out of homestead beautification, participation in leadership in church affairs, a sense of good sportsmanship and fair dealing, tolerance for the other fellow's viewpoint and pride and confidence in the importance of farming as a business and as a way of life. No other business or occupation tends to weld the members of the family into effective economic and social units as does farming.

After all, the proof of good living is in the enduring satisfactions that it brings us. We have all experienced satisfaction in achieving a simple objective, in licking a tough problem, in providing comfort for others, in seeing our children educated. We have taken pride in improving the civic life of our community. We have witnessed the value of leadership in many forms and have taken personal satisfaction in being a part of this leadership. These considerations seem to indicate that one's record in living is as subject to analysis and comparisons as is his financial record.

THE ART OF HELPING OTHERS

Finally what one contributes to the public welfare is a measure of success in farming. Let us take it first from the historical standpoint of farming as a great industry. Agriculture has always contributed a high quality of

manpower to industry and to the professions, not only in large numbers of young farm people but more particularly in high quality of efficient personnel. The problem involved centers in providing incentives and opportunities that will maintain the highest quality of farm population.

Agriculture has contributed to the general welfare -- more than can be measured -- in cheap food for urban consumption. This fact has never been fully appreciated by consumers. Until wartime rationing, attempted price controls and food subsidies came into the picture, we all took food for granted. In the cities, we never worried about the farmers' producing and providing us with cheap food. We kicked like blazes when milk went up a cent or two a quart, but we just seemed to expect to pay a dime or quarter more to see a movie or a dollar or two more for a shirt.

Success, from an urban food viewpoint, at what price human sacrifice, soil fertility, and lowered levels of living in rural areas? These are contributions that can never properly be balanced in terms of dollars or appreciation by those who profited. The cost of belated soil conservation presently being borne, only partially by the public, represents an accumulated gift to public welfare, the cost of which coming generations of farmers will have to share.

How does this matter of what one gives bear upon the success of the individual farmer? As I have witnessed the growth and development of rural leadership, expressed in services rendered in public affairs, I am more and more impressed that one's activities and interests outside the farm, if tempered by reason, are a very important measure of success.

One of the great values of cooperation in agriculture is the satisfaction gained from working with others in a movement that extends the limits of the farm to include the neighbors, the community, the state, the nation and those beyond our own shores.

There is major satisfaction to be obtained from the contribution of time, thought and services involved in the many relationships that exist between farm families and our local institutions. One of these is your general farm organization, the Farm Bureau, the Grange, or the the Farmers Union. It seems to me that the assets far outweigh the liabilities in all farm organizations. Someone has to do the work to make any organization effective. Doing one's part, however small, is one of the measures of success in the form of personal satisfaction in assisting to build and maintain such organizations.

Another is your interest in and support of cooperative institutions. Perhaps one is not interested in this way of doing business and prefers to operate wholly on his own, but I venture the opinion that agriculture is much farther ahead as an industry because of its record of cooperation than it would have been without it. The personal sacrifices that have made this movement what it is have paid dividends in the form of personal satisfactions that cannot be valued in money.

What are you doing about improving your rural schools or revitalizing the rural church in your community? What active interest is being manifested to bring improved medical care facilities to your community? How do you manifest your interest and attitude toward labor, toward industry, toward government?

The citizens' bill of rights includes duties in the field of political science and our political health would be much improved if all citizens took the proper interest in local, state and national government.

Every rural community has examples of individuals who have made major contributions to those activities and institutions that make a desirable countryside in which to live. From many points of view they are far more successful than those who have merely accumulated large bank accounts. A surprising amount of latent leadership awaiting stimulation into action is characteristic of farm communities. Once awakened to pressing needs, be they economic, social or spiritual, leaders arise to assume responsibilities, regardless of personal sacrifices. Herein lies the strength and promise of rural resources that cannot be measured by the so-called "almighty dollar".

All this leads to one conclusion: that what one gets, of course, is fundamentally important, but how one lives and what one gives are equally important in measuring the success in the farming business and in rural life. Howard Doane of the Doane Agricultural Service in St. Louis states the case in one sentence, "The minimum living requirements for farm people are: first, enough to live on, and second, enough to live for."